

May 11, 1987

LB 270

increased in Alliance, in Columbus, in Fremont, in Grand Island, in McCook, in Sidney and, yes, even Omaha. Right now we're averaging statewide 302 claims paid per month. The situation is not dissimilar if you look at the job service applicants. The number registered through this point in the fiscal year is 93,469 people, souls in this state looking for work. And, of course, none of this reflects the actual number of unemployed. I would hazard that the very few of those 93,000 are still paying some taxes. By contrast, on average, one new full-time job created in the manufacturing sector will generate \$1,571 in taxes paid; the service industry, \$1,196 in taxes paid by that employee. Consider that against a one-time \$1,000 credit we permit in LB 270 for hiring that Nebraskan for work for a salary, on a payroll. Now as we consider that, you may ask, how does the fiscal note show revenue loss to the state? Because the note shows only the one-time cost of the credit to the state, it is silent on whether it's taken into account taxes paid by a worker...

SENATOR LABEDZ: One minute, Senator Chizek, one minute.

SENATOR CHIZEK: ...who could quite conceivably now have a job under LB 270. But I want you to know clearly that I've said time and time again LB 270 is not a panacea, a cure-all, a Shangri-La for employment, one experience of LB 773 shows us how much is out of our hands, or how little in them depending on how you see the glass of water. Excuse me for the mixed metaphor, but I want to make a point. LB 270 is an incentive, no jobs created, not tax credit. I think it will work on that kind of incentive. Finally, I would like again...I would again note for you that there are safeguards built against abuse. There is rip-off insurance. The credit is either cancelled, if carried...cancelled if carried forward, or repaid if taken all in one year...

SENATOR LABEDZ: Time is up, Senator Chizek.

SENATOR CHIZEK: ...should the level of unemployment that created eligibility for the credit cease. I would simply ask that I continue to have your support in the advancement of LB 270.

SENATOR LABEDZ: Senator Chizek was closing on the advancement of LB 270. All in favor vote aye, opposed nay. Oh, I'm sorry, Senator Wesely, go ahead.